



December 29, 2015

National Credit Union Administration  
Attention: Mr. Gerald Poliquin, Secretary of the Board  
1775 Duke Street  
Alexandria, VA 22314-3428

RE: Comments – Proposed Rule: Chartering and Field of Membership Manual, 12 CFR Part 701

Dear Mr. Poliquin:

I submit this comment letter as a member of and in my professional role as the Vice President of Risk Management at ABNB FCU in Virginia. ABNB is a \$517M community chartered credit union with 17 branch offices serving 55,622 members in a portion of the Virginia Beach-Norfolk Metropolitan Statistical Area. ABNB converted from a multiple common bond charter to a community common bond charter in September 2003 serving Isle of Wight and Southampton Counties, Virginia, along with the independent cities of Franklin, Chesapeake, Norfolk, Portsmouth, Suffolk and Virginia Beach, Virginia.

When ABNB's community charter was granted, the community was defined as the Southeastern Virginia Community (SVC) as NCUA had yet to recognize other community definitions such as Metropolitan Statistical Area. Initially Currituck and Surry Counties were included in our request because of their proximity to the other localities in the community and their proven interactive reliance on virtually all of the same transportation, media, utilities, hospitals and shopping areas as the other jurisdictions in the proposed community. Reluctantly, at the request of NCUA, ABNB removed these two counties from our request with the understanding that in the future they could be reconsidered for inclusion once ABNB had established our ability to serve our expanded field of membership.

In March 2005, having proven our ability to serve our community and with proven documentation of the successes the credit union could verify in extending its services to the entirety of the community, ABNB renewed our request to include Currituck and Surry Counties in our field of membership using the same community criteria as in our 2003 request. NCUA once again denied this request to extend our lower cost financial services to more potential members within our local community.

In February 2006 ABNB reapplied attempting to add Camden, Chowan, Currituck, Dare, Gates, Hertford, Pasquotank and Perquimans Counties in North Carolina again using the same community interaction standards and established community parameters. This request was also denied. A similar submission in October 2006 was likewise denied. Finally in March 2007

NCUA approved our request to add only the county of Currituck, North Carolina to our field of membership.

We consider it tremendously frustrating that, even though the US Census Bureau had recognized the interactive nature of the Combined Statistical Area (CSA) that we sought to serve as a well-defined, local community consistent with federal statute, we were denied on numerous occasions in our application to serve this clearly recognized community. To have been forced to settle for adding only one of the counties defined by the US Census Bureau as our community CSA is, in our view, unreasonable and somewhat arbitrary. This needed to be addressed as CSAs are recognized by a separate governmental entity as an interactive community.

Now, in this proposed rule, it appears that ABNB's 13 year quest involving the preparation of hundreds of pages of documentation and the expense of hundreds of man hours to define and gain NCUA approval to serve what we have always viewed as our natural local community may soon draw to a close. Bravo to NCUA for recognizing, albeit belatedly, the CSA as a valid definition of a local community. This is a long needed and appropriate addition to the field of membership rules that is clearly consistent, as validated by the US Census Bureau; with the Credit Union Membership Access Act of 1998 (CUMAA) that specified well-defined local communities could be served by community chartered credit unions. We commend the agency for this provision in the proposed rule and urge that you retain it in the final rule, hopefully, along with the ability of credit unions to be able to make a narrative case to add adjacent counties to a CSA into a credit union's field of membership if the interaction standard can be met and documented.

Likewise, we believe that NCUA could have and should have removed the 2.5 million population cap when defining communities for field of membership purposes. The determination as to whether or not an area qualifies as a well-defined local community is made by other governmental agencies, not NCUA. NCUA should not substitute its judgment for that of these other governmental agencies.

Many community definitions have evolved into a geographical region with a relatively high population density at its core and close economic ties throughout the area. Such regions are often neither legally incorporated as a city or town would be, nor are they legal administrative divisions like counties or separate entities such as states. As such, the precise definition of any given metropolitan area can vary with the source. A typical metropolitan area can be centered on a single large city that wields substantial influence over the region. However, some metropolitan areas contain more than one large city with no single municipality holding a substantially dominant position, such as is found in the Virginia Beach-Norfolk CSA. Given that the government agencies that define a CSA do so based on economic and social interaction not on population numbers, there appears to be no defensible justification for the arbitrary 2.5 million population cap, which is not required by statute and was not included in the 1999 or 2003 field of membership rules that followed the enactment of CUMAA. Therefore, with no statutory requirement and a history of no such population caps being included in other

two post-CUMAA field of membership rules approved by NCUA, the population cap in this rule should be deleted.

NCUA should facilitate mergers between credit unions with unlike fields of membership in such a manner that such mergers would not be detrimental/limit continued credit union access to the potential field of membership of the non-community merging credit union even when such members are outside of the community boundaries of the surviving community credit union. The current alternative of requiring emergency circumstances is unpalatable to most credit unions and effectively limits the pool of available merger partners.

My final issue concerns the NCUA's failure to recognize the relationships many community charters have with not for profit associations and charitable organizations that serve the defined community and perhaps even beyond. Why community and TIP charters have been denied the ability to include members of such organizations within their field of membership makes no sense whatsoever yet multiple common bond charters are permitted to include them.

My comments have focused solely on the parts of the proposal that would directly impact ABNB. The entire proposal represents quite an improvement over current field of membership rules and should prove beneficial for all charter types, both federal credit unions and state chartered credit unions that may see their state regulators follow suit. Please do not allow the expected protests of the commercial banking community to cause the NCUA to back off on any part of the proposed rule. Everything proposed is, in our view, well within the scope of statute. In fact, the bankers unsuccessfully challenged in court the 1999 rules which were not limited to MSAs and had no population caps. Their threats of legal action against this field of membership proposal that is not as broad as either the 1999 or 2003 rules should not cause NCUA any pause in moving forward with this proposal.

NCUA could, and in fact I encourage the agency to do so, be even more progressive in the field of membership arena with this proposal. For example, as per my comment regarding population caps and CSAs, there are areas where this proposal are lacking in comparison with previous rules post-CUMAA. We consider the proposed population caps for any charter type to be arbitrary and indefensible. They seem to be in place solely as a nod to placate the banking industry opposition – which is not the purpose of NCUA. The beneficiaries of the proposed rule changes will be what NCUA is charged with; ensuring the compliance with the law and the safety and soundness of – our nation's credit unions benefiting their member-owners and the American consumer in general.

Thank you very much for the opportunity to comment on this proposed regulation. The issues we have highlighted above will have a significant impact on the credit union movement and our ability to serve our members. We look forward to quick action by the Board and respectfully urge them to consider the points that I have made on behalf of ABNB and also those undoubtedly others will make about this important proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher E. Anuswith". The signature is fluid and cursive, with a large loop at the end.

Christopher E. Anuswith, CCUE, CUERME, NCCO  
Vice President of Risk Management

cc: NAFCU  
CUNA  
VCUL